

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1698 - HB 2557

January 31, 2016

SUMMARY OF BILL: Authorizes a county to, upon the adoption of a resolution by a two-thirds majority vote of its legislative body, impose a privilege tax on litigation on all civil cases, except any original proceedings brought in juvenile courts, in an amount not to exceed \$25 per case. Requires any revenue collected from such tax to be used exclusively for personnel and operating costs of the circuit court.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – Up To \$7,912,500/Permissive

Assumptions:

- The fiscal impact of the proposed legislation is dependent upon multiple unknown factors, such as: the number of counties that will adopt a resolution to assess the proposed privilege tax; the number of civil cases in such counties that the tax would be assessed; and the dollar amount of the tax assessed in such counties.
- Any increase in local revenue pursuant to the proposed legislation will be permissive.
- Based on information provided by the Department of Revenue, it is estimated that there were approximately 316,500 civil cases in FY14-15 on which the proposed tax could be assessed. This number is assumed to remain constant in subsequent years.
- The maximum permissive and recurring increase in local revenue as a result of this bill is estimated to be \$7,912,500 (316,500 civil cases x \$25.00 maximum privilege tax).
- Any increase in local government expenditures for counties that adopt a resolution to assess the privilege tax is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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